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THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

STAFF REPORT

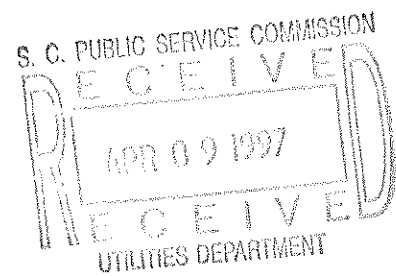
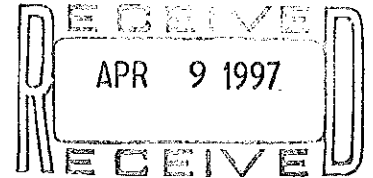
of the

ACCOUNTING DEPARTMENT

and

UTILITIES DEPARTMENT

S. C. PUBLIC SERVICE COMMISSION



DOCKET NO. 97-004-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY

REPORT OF ACCOUNTING DEPARTMENT

THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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INDEX

Analysis	1 - 10
Exhibit A: Fossil Fuel Stock Report.....	11
Exhibit B: Received Coal-Cost Per Ton (Per Plant).....	12
Exhibit C: Total Received and Weighted Average Cost.....	13
Exhibit D: Received Coal-Cost Per Ton Comparison	14
Exhibit E: Burned Cost-Consumed Generation.....	15
Exhibit F: Cost of Fuel.....	16
Exhibit G: Factor Computation.....	17
Exhibit H: Computation of Unbilled Revenue.....	18-19

REPORT OF ACCOUNTING DEPARTMENT

DOCKET NO. 97-004-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY

INTRODUCTION

The Accounting Department Staff has made an examination of the books and records of South Carolina Electric and Gas Company, Columbia, South Carolina, relative to the Commission's requirement under Docket No. 97-004-E, that periodic hearings be conducted before the Commission concerning the Adjustment of Base Rates for Fuel Costs.

CURRENT REVIEW PERIOD

The current examination of South Carolina Electric and Gas Company's retail Fuel Adjustment Clause covered the period of March 1996 through April 1997.

However, since the current hearing is scheduled for April 1997, Staff's audit work did not include any testing for the months of March and April 1997. The amounts of (over)/under-recovery for March 1997 and April 1997 were estimated for the purpose of adjusting base rates effective May 1, 1997. The estimates will be trued-up at South Carolina Electric and Gas Company's next hearing.

SCOPE OF EXAMINATION

The Commission's Accounting Department's examination consisted of the following:

1. Analysis of Account # 151 - Fuel Stock
2. Sample of Receipts to the Fuel Stock Account--Account #151
3. Verification of Charges to Nuclear Fuel Expense--Account #518
4. Verification of Purchased Power & Interchange
5. Verification of KWH Sales
6. Analysis of Spot Coal Purchasing Procedures
7. Recomputation of Fuel Costs Adjustment Factor, Verification of
Unbilled Revenue
8. Recomputation of True-up for (Over)Under-Recovered Fuel Costs
9. Details of Fuel Costs

ANALYSIS OF ACCOUNT # 151 - FUEL STOCK

Staff's analysis of the Fuel Stock Account consisted of tracing receipts to and issues from the fuel management system to the General Ledger, reviewing monthly journal entries originating in fuel accounting, and ensuring that only proper charges are entered in the Company's computation of fuel costs for purposes of adjusting base rates for fuel costs.

SAMPLE OF RECEIPTS TO THE FUEL STOCK ACCOUNT--ACCOUNT # 151

Staff's sample of receipts to the Fuel Stock Account consisted of randomly selecting transactions, tracing each of these transactions to a waybill and a purchase order for documentation purposes, and recalculating the transactions to insure mathematical correctness.

VERIFICATION OF CHARGES TO NUCLEAR FUEL EXPENSE - ACCOUNT # 518

The Staff traced the expense amounts for nuclear fuel to the books and records for the period March 1996 through February 1997.

VERIFICATION OF PURCHASED POWER AND INTERCHANGE

Staff verified the Company's Purchased and Interchange Power Fuel Costs to summary sheets provided to the Company's Accounting Department by the Company's Operations Department. Fuel costs and KWH purchases and sales for the months of March 1996 through February 1997 were also traced to monthly invoices.

VERIFICATION OF KWH SALES

The Staff verified total system sales as filed in the monthly factor computation for the months of March 1996 through February 1997. This monthly figure was then used to determine the fuel cost per KWH sold.

ANALYSIS OF SPOT COAL PURCHASING PROCEDURES

The Accounting Staff examined the procedure followed by the Company's fuel supply section for obtaining and accepting bids on spot coal. To achieve this, Staff chose to examine two months of the audit period in which several spot coal bids were received. Staff examined spot coal bids received in the months of June and July 1996.

The fossil fuel supply section maintains a list of coal vendors from whom bids are solicited. South Carolina Electric and Gas mails each of these coal vendors a letter which states the necessary requirements for the coal the Company seeks, and the information needed concerning the coal producer and the fuel representatives' quality standards. The fuel representatives bargain over the price of the coal, and either accept or reject the coal vendor's offer. The Company's fuel representatives determine

the current market price for spot coal prior to contacting the coal vendors about their bids. In this way, the fuel representatives determine the limits which should be observed when bargaining for coal. The fuel representatives consider at least three factors when accepting spot coal bids: the price per ton (including freight), the BTU content of the coal offered, and the past experience with the coal obtained from the producer. The Company normally requires all bids to be made in writing, but telephone bids are often received. However, South Carolina Electric and Gas Company requests that all telephone bids be confirmed by a subsequent letter.

Upon acceptance of a bid, South Carolina Electric and Gas Company prepares a purchase order, a copy of which is mailed to the coal vendor. When the coal is received at the plant, the Company analyzes the coal for moisture, ash, sulfur, and BTU content and prepares an analysis report which is sent to the fuel supply section. The appropriate quality premium or penalty on the coal purchased is determined, and the results are forwarded to the Company's Accounting Section, which in turn, adds a premium or assesses a penalty to the total amount due to the coal vendor.

The fuel supply section closely monitors the quality of coal shipped by the various producers. If less than guaranteed performance is rendered by a certain producer, the fuel representative accesses this information and considers this when analyzing any future offers received from the supplier.

As previously mentioned, Staff examined spot coal bids received in the months of June and July 1996. The examination included

reviewing any bids accepted and following the bargaining procedure on each bid. The results are as follows:

	<u>June 1996</u>	<u>July 1996</u>
Co. made offer - Supplier rejected	0	0
Co. made no offer	6	3
Co. negotiated purchase	0	2
Co. made offer; Supplier made counter offer; Co. rejected counter offer	0	0
No authorization (bid) from Supplier	<u>0</u>	<u>0</u>
TOTAL BIDS RECEIVED (Excludes--No Bids)	<u>6</u>	<u>5</u>

The total spot coal tons purchased for the period March 1996 through February 1997 were approximately 672,407 tons.

RECOMPUTATION OF FUEL COSTS ADJUSTMENT FACTOR AND VERIFICATION OF UNBILLED REVENUE

The Accounting Staff has recomputed the fuel adjustment factor utilizing information obtained from the Company's records.

With reference to fuel cost, Staff verified the Total Fuel Costs for the months of March 1996 through February 1997, to the Company's books and records.

In recomputing the factor, Staff has divided the Total Cost of Fuel Burned by Total System Sales to arrive at fuel costs per KWH sales. The base fuel cost per KWH, included in the base rates, is then subtracted from the fuel cost per KWH sales and the resulting figure represents the fuel cost adjustment above or below base per KWH sales. The South Carolina Retail Jurisdictional KWH deferrals were checked to the Company's records. The actual Unbilled Revenue

for each month was verified to the Company's Detail Ledger.

RECOMPUTATION OF TRUE-UP FOR (OVER) UNDER-RECOVERED FUEL COSTS

Staff analyzed the cumulative over-recovery of fuel costs that the Company had incurred for the period March 1996 through February 1997 which totalled \$4,914,169. Staff added the projected over-recovery of \$734,800 for the month of March 1997 and the projected over-recovery of \$799,470 for April 1997 to arrive at an cumulative over-recovery of \$6,448,439. The Company's cumulative over-recovery as of April 1997, per its testimony in Docket No. 97-004-E, totals \$6,431,897. The difference between the Company's and the Staff's cumulative over-recovery totals \$16,542. This difference is based on various corrections Staff reflected in various Company fuel costs, such as Fossil Fuel Burned Costs, and Purchase and Interchange Power Fuel Costs for the months of March 1996 through May 1996, and October 1996 through February 1997 (per Staff's report). Staff's Exhibit H, Computation of Unbilled Revenue, which consists of two pages, provides detailed explanations for this cumulative over-recovery difference of \$16,542. It should be noted that the Company will true-up this difference, on a per books basis, by the next fuel review period.

As stated in South Carolina Electric and Gas Company's Adjustment for Fuel Costs, fuel costs will be included in base rates to the extent determined reasonable and proper by the Commission.

Accordingly, the Commission should consider the over-recovery of \$6,448,439 along with the anticipated fuel costs for the period May 1, 1997 through April 30, 1998, for the purpose of determining the

base cost of fuel in base rates effective May 1, 1997. This \$6,448,439 over-recovery figure was provided to the Commission's Utilities Department.

DETAILS OF FUEL COSTS

Details of fuel costs are shown in Exhibits A-H.

RESULTS OF EXAMINATION

Based on the Accounting Staff's examination of South Carolina Electric and Gas Company's books and records, and the utilization of the fuel cost recovery mechanism as directed by this Commission, the Accounting Department is of the opinion that the Company has complied with the directives of the Commission.

EXHIBITS

Exhibits relative to this report are identified as follows:

EXHIBIT A: FOSSIL FUEL STOCK REPORT

This exhibit reflects the beginning inventory, receipts, issues and ending inventory by type of fuel for March 1996 through August 1996. The Company's Cope Plant and Savannah River Site are not reflected in this exhibit because the Company, during that period, was trying to computerize the fuel information for these two plants. This information, for these two plants, at that time were maintained on a manual basis. Staff, however, did reflect the received costs of these two plants in summary form in Staff's Exhibit C.

Also, the Company is currently updating its new computer fuel program to compile received-cost information for all of its plants, as of September 1996. As of Staff's report due date, the Company

had not completed this process. Therefore, Staff will provide received-cost information for Staff's Accounting Exhibit A through Exhibit D for six months of this fuel review period, September 1996 through February 1997, at the Company's fuel hearing.

EXHIBIT B: RECEIVED COAL-COST PER TON (PER PLANT)

This exhibit shows the received cost per ton for coal at each plant for the period of time from March 1996 through August 1996, in dollars per ton including freight costs. As mentioned in Staff's Exhibit A, the received fuel costs information for the Company's Cope Plant and Savannah River Site are reflected in summary form in Staff's Exhibit C. Also, as mentioned in Staff's Exhibit A, Staff will provide received-cost information for September 1996 through February 1997, at the Company's fuel hearing.

EXHIBIT C: TOTAL RECEIVED AND WEIGHTED AVERAGE COST

This exhibit reflects the total cost for the period March 1996 through August 1996, for the four types of fossil fuel: coal, #2 oil, #6 oil and natural gas. The Staff has also computed the weighted average cost of each type of fuel. As mentioned previously, Staff has also reflected in this exhibit, in summary form, the received costs of the Cope Plant and of the Savannah River Site for March 1996 through August 1996. Also, as mentioned previously, Staff will provide received-cost information for September 1996 through February 1997, at the Company's fuel hearing.

EXHIBIT D: RECEIVED COAL-COST PER TON COMPARISON

This exhibit reflects the received cost per ton for coal at each period of time from March 1996 through August 1996 for South Carolina Electric & Gas Company, Duke Power Company, and Carolina Power & Light Company. The Staff has shown for comparison purposes, the invoice cost per ton, freight cost per ton, total cost per ton and the cost per MBTU. As mentioned in Staff's Exhibit A, the received fuel costs information for the Company's Cope Plant and Savannah River Site are reflected in summary form in Staff's Exhibit C. Also, as mentioned in Staff's Exhibit A, Staff will provide received-cost information for September 1996 through February 1997, at the Company's fuel hearing.

EXHIBIT E: BURNED COST-CONSUMED GENERATION

This exhibit reflects the per book cost of burned fuel (including consumed costs for the Cope Plant and the Savannah River Site), as adjusted by Staff, which was used for generation for the period March 1996 through February 1997. The burned cost of each class of fuel is separated and the percentage of total burned computed for each type.

EXHIBIT F: COST OF FUEL

The cost of fuel for the period March 1996 through February 1997 is shown in this exhibit.

EXHIBIT G: FACTOR COMPUTATION

This exhibit reflects the actual computation of the fuel adjustment factor for the period March 1996 through February 1997.

EXHIBIT H: COMPUTATION OF UNBILLED REVENUE

This exhibit reflects the computation of the unbilled revenue at April 30, 1997. The balance amounts to an over-recovery of \$6,448,439. This balance represents the difference between actual (with two months estimated) total fuel costs and unbilled fuel costs for the Company's retail customers for the period.

ACCOUNTING EXHIBIT A

SOUTH CAROLINA ELECTRIC & GAS COMPANY
FOSSIL FUEL STOCK REPORT
MARCH 1996 - AUGUST 1996 (Note)

MONTH	DESCRIPTION	BEGINNING INVENTORY	RECEIPTS	ISSUES	ENDING INVENTORY	NUMBER OF DAYS' SUPPLY
MARCH 1996	COAL - TONS	778,329	377,907	320,760	835,476	60
	#2 OIL - GAL	2,851,022	223,775	419,548	2,655,249	
	#6 OIL - GAL	10,000	0	0	10,000	
	GAS - MCF	0	9,979	9,979	0	
APRIL 1996	COAL - TONS	835,476	298,574	337,881	796,169	56
	#2 OIL - GAL	2,655,249	416,109	360,166	2,711,192	
	#6 OIL - GAL	10,000	0	0	10,000	
	GAS - MCF	0	6,080	6,080	0	
MAY 1996	COAL - TONS	796,169	366,368	494,843	667,694	53
	#2 OIL - GAL	2,711,192	87,708	82,409	2,716,491	
	#6 OIL - GAL	10,000	0	0	10,000	
	GAS - MCF	0	127,128	127,128	0	
JUNE 1996	COAL - TONS	667,694	321,877	435,018	554,553	37
	#2 OIL - GAL	2,716,491	51,864	60,067	2,708,288	
	#6 OIL - GAL	10,000	0	0	10,000	
	GAS - MCF	0	154,859	154,859	0	
JULY 1996	COAL - TONS	554,553	377,647	480,184	452,016	27
	#2 OIL - GAL	2,708,288	154,601	195,436	2,667,453	
	#6 OIL - GAL	10,000	0	0	10,000	
	GAS - MCF	0	98,801	98,801	0	
AUGUST 1996	COAL - TONS	452,016	436,800	475,522	413,294	31
	#2 OIL - GAL	2,667,453	148,303	50,096	2,765,660	
	#6 OIL - GAL	10,000	0	0	10,000	
	GAS - MCF	0	35,236	35,236	0	

Note: The Company is currently updating its new computer fuel program to compile received-cost information for all of its plants, as of September 1996. As of Staff's report due date, the Company had not completed this process. Therefore, Staff will provide received-cost information for Staff's Accounting Exhibit A through Exhibit D for six months of this fuel review period, September 1996 through February 1997, at the Company's fuel hearing.

ACCOUNTING EXHIBIT B

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RECEIVED COAL - COST PER TON(PER PLANT)
MARCH 1996 - AUGUST 1996

PLANT	MARCH 1996	APRIL 1996	MAY 1996	JUNE 1996	JULY 1996	AUGUST 1996
	\$	\$	\$	\$	\$	\$
WILLIAMS	41.28	41.79	41.74	40.85	41.71	41.81
URQUHART	38.89	38.94	38.82	41.13	40.86	39.54
WATEREE	38.03	38.43	39.67	39.13	37.58	38.90
McNEEKIN	41.36	42.75	41.51	39.60	41.87	39.84
CANADYS	-0-	42.61	41.80	42.23	40.89	42.11
TOTAL SYSTEM	40.01	40.63	40.65	40.18	40.29	40.46

Note: Staff reflected "received" fuel information for the Company's Cope Plant and Savannah River Site (SRS) in summary form on Staff's Exhibit C.

See the note on Staff's Accounting Exhibit A concerning the received-cost information for September 1996 through February 1997.

ACCOUNTING EXHIBIT C

SOUTH CAROLINA ELECTRIC & GAS COMPANY
TOTAL RECEIVED AND WEIGHTED AVERAGE COST
MARCH 1996 - AUGUST 1996

MONTH	COAL		# 2 OIL		# 6 OIL		GAS		TOTAL RECEIVED COST
	TONS	\$	GAL	\$	GAL	\$	MCF	\$	
MARCH 1996	377,907	15,120,938	223,775	149,427	0	0	9,979	47,111	15,317,476
APRIL 1996	298,574	12,129,917	416,109	290,437	0	0	6,080	26,978	12,447,332
MAY 1996	366,368	14,892,609	87,708	56,374	0	0	127,128	570,702	15,519,685
JUNE 1996	321,877	12,932,438	51,864	30,970	0	0	154,859	319,887	13,283,295
JULY 1996	377,647	15,216,466	154,601	101,659	0	0	98,801	293,112	15,611,237
AUGUST 1996	436,800	17,674,193	148,303	98,915	0	0	35,236	145,717	17,918,825
TOTALS	2,179,173	87,966,561	1,082,360	727,782	0	0	432,083	1,403,507	90,097,850
WEIGHTED AVERAGE (3/96 - 8/96)	40.37		.67		0		3.25		

Note: During the first six months of this fuel review period, March 1996 through August 1996, the Company was still in the process of trying to add the Cope Plant's and the Savannah River Site's (SRS) received and consumed fuel costs information to its computerized fuel system. During that period, this information was maintained on a manual basis. Since Staff's "received" fuel information for these most recent plants was not as complete as the other plants, Staff separately reflected the received costs for these two plants in summary form.

Cope Plant (March 1996 - August 1996): Coal—397,911 Tons and \$15,834,304; and #2 Oil—423,083 Gallons and \$282,721.

Savannah River Site (March 1996 - August 1996): Coal—100,448 Tons and \$4,044,572; and #2 Oil—93,900 Gallons and \$64,004.

Also, see the note on Staff's Accounting Exhibit A concerning the received-cost information for September 1996 through February 1997.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RECEIVED COAL - COST PER TON COMPARISON
MARCH 1996 - AUGUST 1996

SOUTH CAROLINA ELECTRIC & GAS COMPANY				
MONTH	INVOICE COST PER TON	FREIGHT COST PER TON	TOTAL COST PER TON	COST PER MBTU
	\$	\$	\$	\$
MARCH 1996	26.45	13.56	40.01	1.5515
APRIL 1996	26.75	13.88	40.63	1.5703
MAY 1996	26.88	13.77	40.65	1.5748
JUNE 1996	26.76	13.42	40.18	1.5684
JULY 1996	26.43	13.86	40.29	1.5689
AUGUST 1996	26.65	13.81	40.46	1.5781

DUKE POWER COMPANY				
MONTH	INVOICE COST PER TON	FREIGHT COST PER TON	TOTAL COST PER TON	COST PER MBTU
	\$	\$	\$	\$
MARCH 1996	26.29	9.55	35.84	1.4361
APRIL 1996	26.94	9.29	36.23	1.4529
MAY 1996	26.34	8.71	35.05	1.4099
JUNE 1996	26.44	7.93	34.37	1.3751
JULY 1996	26.76	8.54	35.30	1.4136
AUGUST 1996	26.72	7.59	34.31	1.3776

CAROLINA POWER & LIGHT COMPANY				
MONTH	INVOICE COST PER TON	FREIGHT COST PER TON	TOTAL COST PER TON	COST PER MBTU
	\$	\$	\$	\$
MARCH 1996	32.45	11.50	43.95	1.7054
APRIL 1996	29.98	10.17	40.15	1.5974
MAY 1996	30.19	10.71	40.90	1.6378
JUNE 1996	30.74	11.25	41.99	1.6828
JULY 1996	32.43	11.03	43.46	1.7538
AUGUST 1996	29.51	11.16	40.67	1.6629

See the note on Staff's Accounting Exhibit A concerning the received-cost information for September 1996 through February 1997.

ACCOUNTING EXHIBIT E

SOUTH CAROLINA ELECTRIC & GAS COMPANY
BURNED COST - CONSUMED GENERATION
MARCH 1996 - FEBRUARY 1997

MONTH	COAL		#2 OIL		#6 OIL		GAS		NUCLEAR		TOTAL BURNED COST	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
MARCH 1996	10,692,237	80.89	254,223	1.92	0	0	41,876	.32	2,230,091	16.87	13,218,427	16.87
APRIL 1996	13,947,707	92.67	120,935	.80	0	0	25,227	.17	957,917	6.36	15,051,786	6.36
MAY 1996	17,246,904	94.02	97,269	.53	0	0	570,751	3.11	428,882	2.34	18,343,806	2.34
JUNE 1996	15,611,454	85.44	405,878	2.22	0	0	31,372	.17	2,223,955	12.17	18,272,659	12.17
JULY 1996	16,899,639	86.54	144,804	.74	0	0	293,342	1.50	2,190,395	11.22	19,528,180	11.22
AUGUST 1996	16,090,378	86.81	53,603	.29	0	0	145,743	.79	2,244,874	12.11	18,534,598	12.11
SEPTEMBER 1996	11,364,423	79.39	117,407	.82	0	0	674,750	4.71	2,157,937	15.08	14,314,517	15.08
OCTOBER 1996	8,831,161	78.05	145,298	1.28	0	0	54,302	.48	2,283,963	20.19	11,314,724	20.19
NOVEMBER 1996	10,224,790	81.15	196,104	1.56	0	0	12,909	.10	2,165,731	17.19	12,599,534	17.19
DECEMBER 1996	12,722,199	83.16	237,498	1.55	0	0	56,259	.37	2,282,209	14.92	15,298,165	14.92
JANUARY 1997	12,144,979	81.18	469,697	3.14	0	0	76,121	.51	2,270,437	15.17	14,961,234	15.17
FEBRUARY 1997	9,140,765	80.83	85,646	.76	0	0	17,312	.15	2,064,819	18.26	11,308,542	18.26
TOTALS	154,916,636	84.77	2,328,362	1.27	0	0	1,999,964	1.10	23,501,210	12.86	182,746,172	12.86

ACCOUNTING EXHIBIT F

SOUTH CAROLINA ELECTRIC & GAS COMPANY
COST OF FUEL
MARCH 1996 - FEBRUARY 1997

MONTH	TOTAL COST OF FUEL BURNED	PURCHASE AND INTERCHANGE POWER FUEL COST	FUEL COST RECOVERED INTERSYSTEM SALES	TOTAL FUEL COST
	\$	\$	\$	\$
MARCH 1996	13,218,427	5,749,593	(1,781,797)	17,186,223
APRIL 1996	15,051,786	3,537,727	(310,033)	18,279,480
MAY 1996	18,343,806	8,337,836	(384,243)	26,297,399
JUNE 1996	18,272,659	6,015,106	(2,045,252)	22,242,513
JULY 1996	19,528,180	8,414,344	(3,560,384)	24,382,140
AUGUST 1996	18,534,598	6,216,364	(2,243,546)	22,507,416
SEPTEMBER 1996	14,314,517	5,824,730	(850,779)	19,288,468
OCTOBER 1996	11,314,724	5,948,770	(760,798)	16,502,696
NOVEMBER 1996	12,599,534	6,118,019	(1,535,787)	17,181,766
DECEMBER 1996	15,298,165	5,905,186	(2,162,325)	19,041,026
JANUARY 1997	14,961,234	5,875,598	(580,481)	20,256,351
FEBRUARY 1997	11,308,542	4,755,699	(695,686)	15,368,555
TOTALS	182,746,172	72,698,972	(16,911,111)	238,534,033

ACCOUNTING EXHIBIT G

SOUTH CAROLINA ELECTRIC & GAS COMPANY
FACTOR COMPUTATION
MARCH 1996 - FEBRUARY 1997

MONTH	TOTAL FUEL COSTS	TOTAL SYSTEM		FUEL COST PER KWH SALES	BASE COST		FUEL ADJUSTMENTS PER KWH
		SALES EXCLUDING INTERSYSTEM SALES	KWH		PER KWH INCLUDED IN RATES	\$/KWH	
	\$			\$/KWH	\$/KWH	\$/KWH	
MARCH 1996	17,186,223		1,307,321,290	.013146	.013480	(.00033)	
APRIL 1996	18,279,480		1,353,557,928	.013505	.013480	.00003	
MAY 1996	26,297,399		1,369,986,974	.019195	.013100	.00610	
JUNE 1996	22,242,513		1,567,892,863	.014186	.013100	.00109	
JULY 1996	24,382,140		1,778,324,750	.013711	.013100	.00061	
AUGUST 1996	22,507,416		1,705,639,286	.013196	.013100	.00010	
SEPTEMBER 1996	19,288,468		1,725,105,294	.011181	.013100	(.00192)	
OCTOBER 1996	16,502,696		1,351,487,240	.012211	.013100	(.00089)	
NOVEMBER 1996	17,181,766		1,306,200,021	.013154	.013100	.00005	
DECEMBER 1996	19,041,026		1,457,268,094	.013066	.013100	(.00003)	
JANUARY 1997	20,256,351		1,505,822,535	.013452	.013100	.00035	
FEBRUARY 1997	15,368,555		1,462,584,219	.010508	.013100	(.00259)	

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
MARCH 1996 - APRIL 1997

	A C T U A L					
	March 1996	April 1996	May 1996	June 1996	July 1996	August 1996
Fossil Fuel Burned	10,988,336	14,093,869	17,914,924	16,048,704	17,337,785	16,289,724
Nuclear	2,230,091	957,917	428,882	2,223,955	2,190,395	2,244,874
Purchase & Interchange Power	5,749,593(2)	3,537,727(2)	8,337,836(2)	6,015,106	8,414,344	6,216,364
Subtotal	18,968,020	18,589,513	26,681,642	24,287,765	27,942,524	24,750,962
Less: Intersystem Sales	1,781,797	310,033	384,243	2,045,252	3,560,384	2,243,546
Total Fuel Costs	17,186,223	18,279,480	26,297,399	22,242,513	24,382,140	22,507,416
Total System KWH Sales	1,307,321,290	1,353,557,928	1,369,986,974	1,567,892,863	1,778,324,750	1,705,639,286
Excluding Intersystem Sales						
\$/KWH Sales	.013146	.013505	.019195	.014186	.013711	.013196
Less: Base	.013480	.013480	.013100	.013100	.013100	.013100
Fuel Adjustment Per KWH	(.00033)	.00003	.00610	.00109	.00061	.00010
Unbilled Revenue KWH Sales	1,212,198,258	1,264,584,587	1,271,961,515	1,464,831,293	1,658,304,443	1,605,833,393
Deferred Fuel Entry	(400,025)	37,938	7,758,965	1,596,666	1,011,566	160,583
February 1996 -	(7,822,727)(1)					
Cumulative (Over)/Under-Recovery	(8,222,752)	(8,184,814)	(425,849)	1,170,817	2,182,383	2,342,966

Note:

(1) Staff's cumulative over-recovery balance brought forward from February 1996 of \$7,822,727 differs from the Company's beginning cumulative over-recovery balance (from February 1996) of \$7,748,261 by \$74,466. This cumulative difference is based on Staff's corrections to Purchased Power Costs and Nuclear Fuel Costs for several months, as reflected in the last fuel review period. It should be noted that the Company, in its testimony, reflects this cumulative correction of \$74,466 in May 1996.

(2) Staff's Purchased Power figures for March 1996 through May 1996, and for October 1996 through February 1997 differs from the Company's figures. Staff's figures, per Staff's report, reflect calculation adjustments made to Purchased Power Costs for the aforementioned months, based on Staff's review of Purchased Power invoices and system operations reports. Also, Staff's Fossil Fuel Burned Costs figures for October 1996 through December 1996, and for February 1997 differs from the Company's figures. Staff's figures reflect corrections for miscalculations and reflect revised (updated monthly information) fossil fuel costs. It should be noted that in Staff's report, after the corrections to Purchased Power Costs and Fossil Fuel Burned Costs, the resultant (over)/under-recovery monthly amounts differs from the Company's figures for the months of March 1996 through May 1996, and for December 1996. The other aforementioned months did not reflect a change in the monthly Fuel Adjustment Per KWH. The difference between the Company's and the Staff's cumulative over-recovery balances as of actual February 1997 and as of estimated April 1997 is \$16,542. It should be noted that the Company will true-up this difference, on a per books basis, by the next fuel review period.

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
MARCH 1996 - APRIL 1997

	A C T U A L					E S T I M A T E D	
	September 1996	October 1996	November 1996	December 1996	January 1997	February 1997	March 1997 April 1997
Fossil Fuel Burned	12,156,580	9,030,761(2)	10,433,803(2)	13,015,956(2)	12,690,797	9,243,723(2)	11,153,000 10,186,000
Nuclear	2,157,937	2,283,963	2,165,731	2,282,209	2,270,437	2,064,819	2,146,000 2,146,000
Purchase & Interchange Power	5,824,730	5,948,770(2)	6,118,019(2)	5,905,186(2)	5,875,598(2)	4,755,699(2)	5,282,000 4,687,000
Subtotal	20,139,247	17,263,494	18,717,553	21,203,351	20,836,832	16,064,241	18,581,000 17,019,000
Less: Intersystem Sales	850,779	760,798	1,535,787	2,162,325	580,481	695,686	812,000 204,000
Total Fuel Costs	19,288,468	16,502,696	17,181,766	19,041,026	20,256,351	15,368,555	17,769,000 16,815,000
Total System KWH Sales	1,725,105,294	1,351,487,240	1,306,200,021	1,457,268,094	1,505,822,535	1,462,584,219	1,416,000,000 1,348,000,000
Excluding Intersystem Sales							
\$/KWH Sales	.011181	.012211	.013154	.013066	.013452	.010508	.012549 .012474
Less: Base	.013100	.013100	.013100	.013100	.013100	.013100	.013100 .013100
Fuel Adjustment Per KWH	(.00192)	(.00089)	.00005	(.00003)	.00035	(.00259)	(.00055) (.00063)
Unbilled Revenue KWH Sales	1,615,667,745	1,268,209,301	1,210,398,524	1,350,749,310	1,412,500,010	1,367,073,263	1,336,000,000 1,269,000,000
Deferred Fuel Entry	(3,102,082)	(1,128,706)	60,520	(40,522)	494,375	(3,540,720)	(734,800) (799,470)
August 1996 (p.1 of 2)	2,342,966						
Cumulative (Over)/Under-Recovery	(759,116)	(1,887,822)	(1,827,302)	(1,867,824)	(1,373,449)	(4,914,169)	(5,648,969) (6,448,439)

(Explanation for Note (2) is on Page 1 of 2.)